All Portfolios

POOL	360.31	2.36%
HSIC	60.87	2.03%
ANET	228.03	0.97%
ENSG	59.82	0.66%
SYK	221.22	0.56%
ULTA	239.67	0.53%
HEI	109.78	0.34%
ROL	58.79	0.08%
AAPL	121.19	0.07%
ACN	229.43	0.02%
IDXX	420.51	-0.22%
PAYC	372.94	-0.22%
GOOGL	1,563.44	-0.23%
CMG	1,321.37	-0.29%
PINS	43.99	-0.36%
CTAS	351.19	-0.42%
SHW	693.99	-0.46%
VRNT	53.36	-0.50%
GILD	64.05	-0.68%
CHD	94.47	-0.75%
TOT	33.89	-0.88%
BRK.A	316.0K	-0.91%
MA	342.70	-0.91%
CNSWF	1,157.00	-0.92%
V	202.20	-1.04%
BCPC	103.36	-1.10%
DPZ	403.21	-1.11%
MTCH	109.77	-1.25%
DG	220.10	-1.30%
ROST	96.29	-1.38%
TCEHY	73.00	-1.41%
FB	271.82	-1.56%
CHTR	638.62	-1.74%
NVO	71.73	-1.98%
PYPL	203.60	-1.99%
SHOP	1,082.12	-2.21%
NFLX	541.45	-2.28%
AMZN	3,363.71	-2.32%
STZ	183.11	-2.36%
BABA	301.04	-2.51%
VEEV	300.61	-2.57%
BKNG	1,732.60	-2.72%

Expand Portfolio

Quick Picks & Lists | Services | Canada

Shopify Is An Exceptional Company But Its Stock Is Risky

Oct. 14, 2020 2:28 PM ET | 40 comments | 2 Likes | About: Shopify Inc. (SHOP)

Aristofanis Papadatos
Oil & Gas, portfolio strategy, Value, bonds
Aristofanis Papadatos
Follow
(7,459 followers)

Summary

- Shopify has greatly benefited from the pandemic, which has accelerated the shift from conventional shopping to online shopping.
- The stock has rallied 230% in the last 12 months and thus it has reached a market capitalization of $134 billion.
- Due to the low barriers to entry in its business, Shopify lacks a wide business moat.

Shopify (SHOP) has enjoyed a breathtaking 230% RALLY in the last 12 months and thus it has vastly outperformed the S&P (SPY), which has gained only 19% during this period. Shopify has exhibited tremendous business performance and has exciting growth prospects ahead, as there is ample room for the company to keep growing for several years. Nevertheless, as the stock has reached a market capitalization of $134 BILLION and it is trading at an exceptionally rich valuation level, it has become risky.

Business overview

Shopify provides a cloud-based commerce platform, which helps companies become much more efficient in the current business landscape, in which competition has become fiercer than ever.

Shopify benefits from a strong secular trend, namely the shift of consumers from brick-and-mortar shopping to online shopping. This secular shift has greatly accelerated this year thanks to the pandemic, which has rendered online shopping much more attractive than physical shopping. Many merchants were caught off guard in the seismic shift caused by the pandemic and thus Shopify has enjoyed impressive business momentum this year.

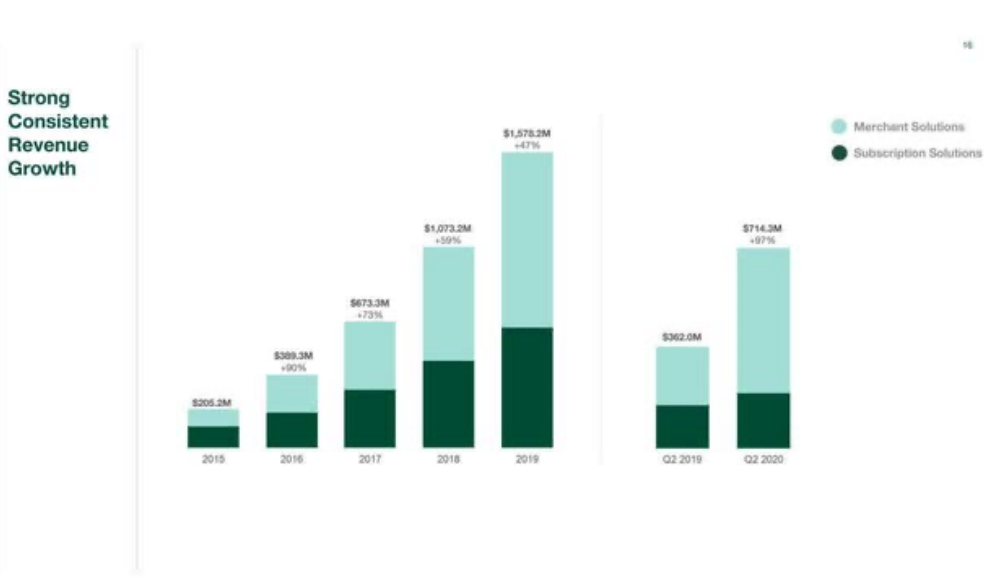
The tailwind from the coronavirus crisis was evident in the results of Shopify in the second quarter, which was marked by unprecedented lockdowns. Its gross merchandise volume jumped to its highest level in more than five years while the stores selling on Shopify sold 1.5 times what they sold in the fourth quarter of 2019, the strongest quarter of the year from a seasonality point of view. Moreover, the total revenue of Shopify essentially doubled over the prior year's quarter and it smashed the analysts' earnings per share estimates ($1.05 vs. consensus of $0.02).

Shopify has also taken advantage of the need of merchants for liquidity amid the pandemic. Numerous U.S. merchants accessed capital from Shopify in the second quarter while the company also offered financing to merchants in the U.K. and Canada for the first time. As a result, funding in the second quarter jumped 65% over the prior year's quarter and the cumulative funding of Shopify in all the regions reached $1.2 billion at the end of the second quarter. While financing is not the core business of Shopify, it can be an additional growth driver, particularly under the harsh economic conditions prevailing right now.

Growth prospects

As the secular shift from conventional shopping to e-commerce is only in its early stages, Shopify still has ample room to continue growing for more than a decade. To provide a perspective, in its latest conference call, management stated that the total addressable market for Shopify is $78 billion and the company has captured just a tiny portion of this market so far.

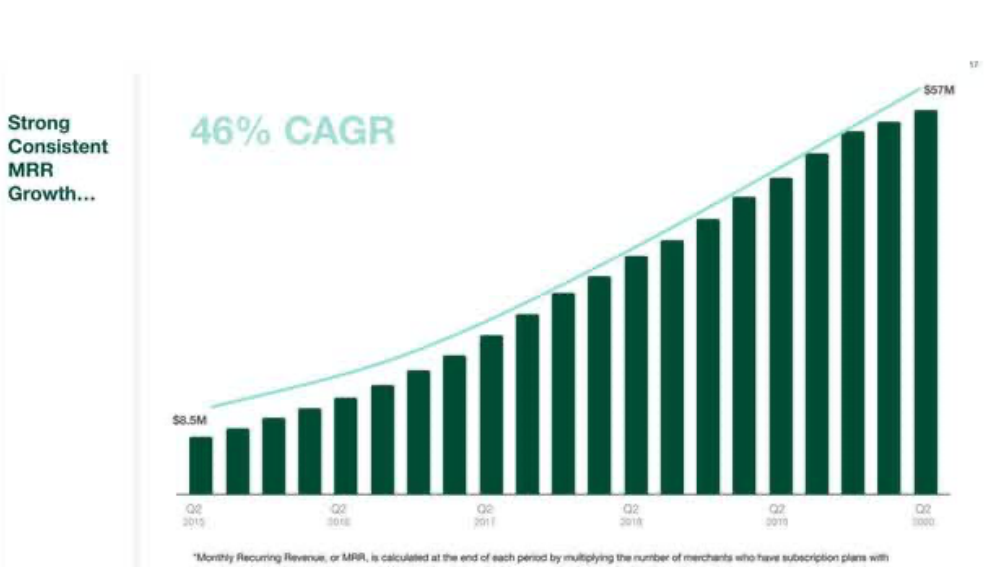
The growth potential of Shopify is also evident from the impressive performance record of the company, which is characterized by consistent revenue growth, without any intervals, and has absolutely no signs of fatigue.



Source: Investor Presentation

As shown above, Shopify has grown its revenue at eye-opening double-digit rates every year in the last five years.

It has also grown consistently its monthly recurring revenue, which is equal to the number of merchants who have a subscription plan times their subscription fee.



Source: Investor Presentation

Shopify has grown its recurring monthly revenues at a 46% compounded average annual rate over the last five years.

Recurring revenues are important, as they result in reliable cash flows and thus provide a strong buffer in the event of an unforeseen downturn. It is costly and inefficient for merchants to switch from Shopify to another platform and hence the recurring revenues of Shopify are reliable, particularly given that the merchants who have resorted to Shopify have done so in order to enhance their efficiency.

It is also worth noting that Shopify has become the largest holding of the stock portfolio of Lone Pine Capital, currently comprising 8% of the portfolio. Lone Pine Capital is well known for having outperformed the broad market by an exceptionally wide margin since its foundation, in 1997. The fund has been able to outperform the broad market thanks to the exceptional competency of its founder, Stephen Mandel, in identifying stocks with immense growth potential, especially in the tech sector. The large investment of Lone Pine Capital in Shopify is a great endorsement to the quality and the growth potential of this company.

Valuation – Risk

Due to its extraordinary rally, Shopify is currently trading at a price-to-earnings ratio of 457. This is an extreme valuation level but the company is growing at a fast pace and hence this earnings multiple does not reflect the full valuation picture. A more informative measure is the fact that the stock is currently trading at 23.0 times its expected earnings in 2027, as analysts expect Shopify to grow its earnings per share 20-fold, from $2.39 this year to $47.41 in 2027.

Unfortunately, the estimates of analysts are unreliable in such long-term horizons, as many unexpected headwinds may show up over such long periods. Moreover, one could rely on such long-term forecasts if Shopify had a wide business moat and thus it essentially operated without any effects from competition. However, this is not the case for Shopify.

The business of e-commerce platforms has very low barriers to entry, as it does not require much capital to build such a platform. This business is the exact opposite of utilities or telecommunications companies, which have to spend enormous amounts to build the infrastructure required to serve their customers and thus there are too high barriers to entry in these businesses. On the contrary, in the business of Shopify, new competitors, with competency in information technology, can enter the market with very low amounts of invested capital.

BigCommerce Holdings (BIGC) is an example of a competitor which conducted its IPO just two months ago. The company develops e-commerce software and offers it to online retailers. BigCommerce has provided its software to approximately 60,000 online stores in 120 countries so far. In the same way, many other competitors can show up in Shopify's business. These competitors will not only affect the pace of growth of Shopify in the future, but they will also limit the subscription fees it charges to its merchants.

On the bright side, the growth potential of this business is so immense that Shopify can continue growing at a high rate for a considerable period, without being affected by its competitors, particularly given its strong business momentum. On the other hand, it is too risky to forecast that Shopify has a decade of uninterrupted, relentless growth ahead in this fast-changing business, which has essentially no barriers to entry. The market has already priced 7 years of tremendous growth in the stock of Shopify, thus rendering the stock highly vulnerable in the event of business deceleration.

It is also important to note that Shopify has reached a market capitalization of $134 BILLION. This is 72% higher than the total addressable market of $78 billion of the company, according to its management. To provide a perspective, Costco (COST) and Target (TGT) have market caps of $166 BILLION and $82 BILLION, respectively, and Shopify is just about to exceed the market cap of Exxon Mobil (XOM), which currently stands at $146 BILLION. While these large-cap companies are not competitors of Shopify, their market cap is useful in understanding how much growth the market has already priced in the stock of Shopify.

Earnings

While analysts expect Shopify to grow its earnings per share 20-fold over the next seven years, from $2.39 this year, to $47.41 in 2027, it is important to note that Shopify has never made a profit in the last eight years. The company has grown its revenue at a tremendous pace throughout this period but its losses have only widened. This is certainly a red flag for the profitability potential of this business model.

It is also worth noting that the second quarter of this year was the first quarter with a meaningful profit in the last eight years. As Shopify enjoyed a strong tailwind from the lockdowns caused by the pandemic in that quarter, it is only natural to wonder how the results will be affected when the pandemic subsides. On the bright side, the existing customers of Shopify are not likely to terminate their subscriptions and hence the revenues of Shopify are not likely to decrease if the pandemic subsides. However, its growth pace will certainly be affected whenever the coronavirus crisis subsides.

Final thoughts

Shopify is an exceptional company, which helps other companies adapt to the challenging business environment of the new decade, and thus it has exciting growth potential ahead. However, the market has already priced the growth of the company in the next seven years in the stock. As there are very low barriers to entry in its business, Shopify may decelerate at some point in the future due to pressure from its competitors or the end of the pandemic. It is also much harder for a company to keep growing at a breathtaking pace as it grows bigger. Whenever Shopify decelerates, its stock will have significant downside risk due to its lofty valuation. At its current valuation level, Shopify would be investable only if it had a wide moat in its business.

On the other hand, all the above do not mean that the Shopify's stock will plunge anytime soon. The company has strong business momentum, which is likely to remain in place for a while thanks to the impact of the pandemic on most retailers. As a result, the stock can maintain its positive momentum and its premium valuation for a considerable period. Nevertheless, it is not a sound strategy to rely on the rich valuation of a stock and try to profit from its momentum.

Disclosure: I/We have no positions in any stocks mentioned, and no plans to initiate any positions within the next 72 hours. I wrote this article myself, and it expresses my own opinions. I am not receiving compensation for it (other than from Seeking Alpha). I have no business relationship with any company whose stock is mentioned in this article.

5 Top Stocks To Buy Now!

SHOP may be an interesting stock, but do you know which stock is the highest rated in SHOP's sector? We've prepared a list of the strongest, most compelling buys in each industry. Seeking Alpha Premium's Top-Rated Stocks have consistently outperformed the market 3-to-1 over the last 10 years.

Start Your Free Trial »

Like this article | 2 Likes

Follow Aristofanis Papadatos and get email alerts

Follow

Recommended for you:

Don't Add Shopify To Your Cart (NYSE:SHOP)
David Trainer

Nvidia: It's Time To Grow Up (NASDAQ:NVDA)
Mark Hibben

Amazon Is Back On A Strong Price Return Path (NASDAQ:AMZN)
Beulah Meriam K

Nvidia's Stock May Finally Be Ready For A Reversal (NASDAQ:NVDA)
Mott Capital Management

Comments (40)

+ Track comments Sort by Oldest

Tony Montana Munich
Add Your Comment: (NEW! Use @ to tag a user)

Share your comment: ☐ ☐ ☐

Publish

salnaz641
Comments (144) | + Follow

None of the great companies are ever cheap. Shop will continue to deliver as it has been doing since the IPO. Stay long and enjoy the rewards.

14 Oct 2020, 02:53 PM — Like 5 Reply

Up and Away
Comments (3689) | + Follow

Who wouldn't jump aboard with financing available? The pandemic which has given them the business will be around for some time but, what happens thereafter is my question. As some of the bigger corps are also jumping into online offerings it will get difficult for all. Time will tell.

14 Oct 2020, 03:32 PM — Like 0 Reply

kimbillro
Comments (32361) | + Follow

It will get more difficult for them @Up and Away .

14 Oct 2020, 03:44 PM — Like 1 Reply

thegopher001
Premium
Comments (68) | + Follow

Great article. Data shows that most successful hedge funds got short in September. As usual the robinhood ers drive this thing up. Matter of time before it gets back to 700-800 levels

14 Oct 2020, 03:30 PM — Like 0 Reply

kimbillro
Comments (32361) | + Follow

Robinhooders have stock moving power @thegopher001 .

14 Oct 2020, 03:43 PM — Like 0 Reply

Tall Seller
Comments (9666) | + Follow

@kimbillro

Robinhooders are the ones pushing up SLOW GROWTH BigC who had anemic 33% growth last quarter in the best quarter ever for e-commerce. Shopify has NEVER had that slow of growth.

LONG Shopify.

14 Oct 2020, 04:12 PM — Like 1 Reply

You like this

Griffin100
Premium
Comments (174) | + Follow

I am not sure how you conclude that there is a 'low barrier to entry'. You could say the same thing about Amazon (it's just an internet retailer) or Google (it's just a search engine). I mean, how hard can it be? Shopify is a commerce engine that has consumed millions of hours of software developer time; it's a place where smart people want to work; it has developed hardware POS solutions; it is a highly recognizable brand; it's a collection of acquisitions; it's an extensive ecosystem of partners; it is a collection of related services (e.g. inventory management, fulfillment, capital); it has a load of $ on-hand; and, perhaps as importantly, it's a juggernaut with no shortage of good ideas. Be my guest if you want to quickly produce a viable competitor.

And yes, the valuation is high if you compare it to an undifferentiated company with little or no growth in an industry that has flat-lined. The future is of course fraught with risk and uncertainty. Investing in high growth companies requires a combination of insight, faith and luck. Insight, faith and luck have delivered me a 38x return since I started here in 2016, and I am happy to keep this as a 5% position, because there is always risk. It's a fast growing company with many unique qualities in a rapidly growing market. I feel pretty relaxed about the future.

14 Oct 2020, 03:37 PM — Like 8 Reply

kimbillro
Comments (32361) | + Follow

Anyone can sell things @Griffin100 .

14 Oct 2020, 03:42 PM — Like 0 Reply

Griffin100
Premium
Comments (174) | + Follow

@kimbillro - absolutely. But the competition that would take this business from Shopify have failed to prevent Shopify shifting $30bn of goods in Q2, and growing 119% YoY. If anyone could do what Shopify do, there would be no Shopify. If they have failed to stop Shopify getting this far, what will change to prevent Shopify from growing further as their market expands. Market leading companies benefiting from secular trends are a pretty winning combination. (edited)

14 Oct 2020, 03:56 PM — Like 0 Reply

kimbillro
Comments (32361) | + Follow

I see @Griffin100 .

14 Oct 2020, 04:06 PM — Like 0 Reply

broker555
Premium
Comments (146) | + Follow

@Griffin100

Could not agree more & have had the same thoughts myself about "low barrier to entry". As you so thoroughly clarified, if anyone could do all that SHOP has done to get to this place in time, then why have they not?

Also, totally agree SHOP's valuation is high (and I know you would agree with this), but the effect from COVID on an already successful & growing Shopify has been to pour gasoline on the growth flames. If COVID somehow goes away or effectively becomes a non-issue due to successful vacinations or otherwise, the benefits for SHOP from this pandemic will linger long. Some benefits perhaps forever. The already established successful growth model (pre-COVID) will continue as well.

14 Oct 2020, 04:25 PM — Like 0 Reply

Tall Seller
Comments (9666) | + Follow

@broker555

Low barrier???

Shopify's 3rd party partners employ 2,000,000 people and generated $6.9BILLION In revenue last year servicing Shopify merchants and developing apps/themes/tools for them everything e-commerce related, and steering a tidal wave of high GMV selling merchants to Shopify.

That is the exactly definition of MASSIVE barrier to entry for other participants. Who can compete with this ecosystem??

WHO?

14 Oct 2020, 04:40 PM — Like 0 Reply

broker555
Premium
Comments (146) | + Follow

@Tall Seller

I respect your feedback most of the time but you misunderstood my meaning entirely. I was agreeing with @Griffin100 in regard to his comments about the massive barrier about which you write (read what he said). Notice my mention of "low barrier to entry" was in quotes. You and I and @Griffin100 are on the same page exactly.

15 Oct 2020, 12:22 AM — Like 1 Reply

Tall Seller
Comments (9666) | + Follow

@broker555

I meant to interject into the convo and was meaning to also steer my insinuation that Shopify has a massive moat and their offerings have a gargantuan barrier to entry.

15 Oct 2020, 12:55 AM — Like 0 Reply

broker555
Premium
Comments (146) | + Follow

@Tall Seller

Understood. Keep up your significant contribution to the SHOP investment thesis on this forum; it's very helpful & illuminating.

Long SHOP!

15 Oct 2020, 02:08 AM — Like 1 Reply

kimbillro
Comments (32361) | + Follow

If Shopify has a shaky moat then I'm not buying it.

14 Oct 2020, 03:42 PM — Like 0 Reply

Tall Seller
Comments (9666) | + Follow

@kimbillro

Shopify's moat is MASSIVE. That's why they have more than DOUBLE market share in the TOP 10K e-commerce sites than there next biggest competitor, as seen here:

trends.builtwith.com/...

It's TERRIBLE companies like BigC, who lost 30,000 merchants since 2015 while Shopify gained 1,000,000 that are risky.

DUMP BigCrash before their SLOW growth is further exaggerated this upcoming quartet.

14 Oct 2020, 04:10 PM — Like 1 Reply

Nikkimarco
Comments (2) | + Follow

I like the story of Shopify, a nice interview can be found at the „How I built this" Podcast but it was funny that neither the founder Tobias Lütke, nor the host Guy Raz mentioned any competitors like WooCommerce (a basically 0$ shop plugin for WordPress).

14 Oct 2020, 03:50 PM — Like 0 Reply

Patrick 1948
Premium
Comments (477) | + Follow

the financing they provide looks like a risk that this company should not take. So why is it taking it ? look at the write offs on loans the banks have been taking. Why would this be any different for Shopify. Another example of something which should be discussed in more detail instead we only get financing has increased 65 per cent. These are on line businesses that sell bagels, tee shirts,etc.

14 Oct 2020, 04:00 PM — Like 0 Reply

Griffin100
Premium
Comments (174) | + Follow

They advance funds based on an analysis of the store's history and performance. They would say that they can manage their risk via analytics. So far it has worked well, but I will be very interested to see how they manage through this period, e.g. will they reduce the funds committed, and will they suffer more defaults. Note that Square and Paypal (I think?) are also in this area of the business.

14 Oct 2020, 04:09 PM
Like 0 Reply

Tall Seller
Comments (9666) | + Follow

@Patrick 1948

The use AI to loan money to help merchants SKYROCKET their growth which is another of many reasons Shopify is CRUSHING their competitors.

14 Oct 2020, 04:24 PM
Like 0 Reply

Tall Seller
Comments (9666) | + Follow

What risk?

MANY alternative data sources say e-commerce SURGED foe Q3 and Q4 is expected to be so BLOCKBUSTER for e-commerce that courier companies are saying the do NOT have the capacity for the TIDAL WAVE of e-commerce coming for end of year. Sounds pretty risk-free to me, doesn't it?

14 Oct 2020, 04:09 PM
Like 1 Reply

Up and Away
Comments (3689) | + Follow

@Tall Seller

I am sure you will let us all know when this (Libra)is approved by the US government. Until then, here say and all their hirings meaningless.

14 Oct 2020, 04:43 PM
Like 1 Reply

Tall Seller
Comments (9666) | + Follow

@Up and Away

When it's launched it's going to steers $TRILLIONS of GMV to Shopify for B2B and D2C e-commerce and further help then CRUSH their competitors in e-commerce and even somewhat in fintech.

📈📈📈📈

14 Oct 2020, 04:59 PM
Like 1 Reply

Up and Away
Comments (3689) | + Follow

@Tall Seller

Let me know when it is approved here in the US.

14 Oct 2020, 05:55 PM
Like 0 Reply

nickhoag
Comments (10) | + Follow

Sold read, thank you!

14 Oct 2020, 04:10 PM
Like 1 Reply

Tall Seller
Comments (9666) | + Follow

💥Look what's coming for Shopify💥

In addition to Zuckerberg extending his PARTNERSHIP with Shopify, he invited Shopify to join his Libra Association.

The Facebook and Shopify PARTNERSHIP have A LOT COOKING to come.

Check it out:

✔February 21, 2020 - Shopify joined Mark Zuckerberg's Libra Association: twitter.com/...

✔April 22, 2020 - Libra Association launched their updated White Paper v2.0, which was RESTRUCTURED to alleviate regulators concerns (MUST READ):

👇

libra.org/...

✔April 27, 2020 - Shopify hired Alex Danco (see here: twitter.com/...) to work on an offering that he described as SHOPIFY MONEY, where he says:

🗣"Another project I'll be working on might surprise you, and I'm looking forward to telling you more about it soon enough - Shopify's membership in Libra. Libra is going to catch a lot of people by SURPRISE. It has a lot of armchair critics in tech, both in Silicon Valley and in cryptospace; and you know what, that's exactly how I like it. Libra has a big mission to fulfill, and Shopify is a CRITICAL PIECE of that mission. I'm tremendously excited to help make that happen."

👉(SEEN HERE: danco.substack.com/...)

🗣"This is Shopify's moment. We're in it, RIGHT NOW. I'm amped to get on board the team, and get to work with Tobi and with CanadaKaz on SHOPIFY MONEY to make commerce better for everyone in a REALLY REALLY BIG WAY."

👉(SEEN HERE: twitter.com/...)

✔Shopify's had a bunch of job posting for in-house Senior Legal Counsel, Financial Solutions describe where they describe SHOPIFY MONEY in their Job Descriptions, seen here:

👉(AS SEEN HERE: twitter.com/...)

✔Libra just hired a Lawyer who is VERY experienced, reputable, and connected in governments at the highest levels:

👉(SEEN HERE: twitter.com/...)

✔Libra just announced the appointment of Sterling Daines as the Association's Chief Compliance Officer:

👉(SEEN HERE: twitter.com/...)

✔Libra just announced the appointment of Steve Bunnel as the Association's Chief Legal Officer:

👉(SEEN HERE: twitter.com/...)

Facbook/Shopify/Libra are purported to be launching a NO FEE (or very low fee) currency exchange for cross border e-commerce transactions that they intend to roll out SOON. If so, this will cause $TRILLIONS/year in new GMV to come to Shopify from businesses that want Shopify for this service offering

In addition to Shopify's current ACCELERATING growth which makes them a long term safe investment, the speculation that Libra will be launched soon with Shopify involved is a MASSIVE reason to BUY AND HOLD Shopify today, as this will be an INSANELY BIG GAME CHANGER.

LONG SHOPIFY!

📈📈📈📈

14 Oct 2020, 04:32 PM
Like 2 Reply

264
Comments (85) | + Follow

Shopify has continued to grow at a pace that is unbelievable to say the least. I had stated that I believe that Shopify would see revenue growth in the current quarter year to year at 109% that was just upped to 119% by CITI. Forward p/e's have also shown higher that the current level after reporting earnings on a quarterly basis. I expect that to continue. The biggest problem that Shopify has is that it's in a 175 countries with exceptional growth going forward and that the it's in the infant stage outside the U.S. with growth described above that is hard to keep up with in regards to Fulfillment. If Shopify was a U.S. retailer it would be the second largest retailer. I have further stated that there business model is not going to be easy to copy in terms of competition and as a result they have first in the market advantage with both large and small merchants. There e-commerce platform is exceptional and they continue to not only expand merchants but ways they can serve them. I currently believe in ten years there market cap will be a trillion dollars.

14 Oct 2020, 04:43 PM
Like 0 Reply

thegopher001
Premium
Comments (68) | + Follow

It's funny how some of the comments argue that SHOP has a high barrier to entry, because it has a lot of good software developers or a good brand. E-commerce is a fast cycle market. The competition is fierce and SHOP has a better platform, but it is easy to imitate. Good developers can easily move from a company to anothe

WIX, Woocomerce, Zyro , SquareSpace are improving their platform and growing their revenue too. More IPO in that sector is coming, and the 1st Wave of the virus is over and we have 8 vaccines candidates in the works. This extraordinary growth won't last and it's just a matter aof time before this insane valuation gets adjusted. Just speak to your friends who owns a small business and you'll see that a lot of them use WIX or WooCommerce.

How will SHOP make money in 5-6 years? No answer to that question yet. Their biggest expense, their payrolls is based on Canadian dollar (Headquarter in Ottawa) and their sales are mostly in USD, so they get a 30% discount because of the weak Canadian dollar. That might stay like that, but the Canadian dollar is unlikely to fall further. Of course SHOP is a great company with a tremendous momentum and technology but a valuation like that is priced for perfection. Any shocks (CAD dollar), Re-openings of Small business stores, increased competition, more foreclosure for small businesses, etc will make this sector suffer and SHOP will take a hit one day or another.

SHORT SHOP and adding more everyday.

14 Oct 2020, 06:01 PM
Like 0 Reply

Tall Seller
Comments (9666) | + Follow

@thegopher001

It's cruddy WiX, and Big Crash, and who is Woo, and dose dive Magento, that are LOSING top rated merchants to competitor CRUSHER Shopify. The numbers speak for themself for SKYROCKETING Shopify.

14 Oct 2020, 06:34 PM
Like 1 Reply

thegopher001
Premium
Comments (68) | + Follow

hummm not really. WIX is actually picking up small business consumers from SHOP, not the opposite.

14 Oct 2020, 08:22 PM
Like 0 Reply

Tall Seller
Comments (9666) | + Follow

Wix has like ZERO market share in the Top 10K merchants sites category 😂, seen here:

https://www.shopify.ca/lite

Wix has like ZERO market share in the Top 100K merchants sites category😂, seen here:

trends.builtwith.com/...

Wix has like ZERO market share in the Top 10K merchants sites category 😂, seen here:

trends.builtwith.com/...

And, now that Shopify offers $9/month for low level merchant that WiX caters too (seen here: https://www.shopify.ca/lite), Shopify's FAR SUPERIOR e-commerce solutions are an existential threat to WiX's positioning in e-commerce.

Shopify is CRUSHING WiX for e-commerce.

14 Oct 2020, 09:21 PM
Like 1 Reply

vanvic
Comments (641) | + Follow

@thegopher001 Interesting. Could you provide the link to that info? That is, if you read it somewheres. Thanks.

14 Oct 2020, 09:27 PM
Like 0 Reply

thegopher001
Premium
Comments (68) | + Follow

LOL. good luck I'll short your shares

14 Oct 2020, 09:56 PM
Like 0 Reply

thegopher001
Premium
Comments (68) | + Follow

It's on WIX latest conference call transcript.

14 Oct 2020, 09:58 PM
Like 0 Reply

Tall Seller
Comments (9666) | + Follow

@thegopher001

Many short sellers have said they'd short my since $50/share and most got steamroller.

BUY AND HOLD Shopify for a decade or more is my play.

14 Oct 2020, 10:02 PM
Like 0 Reply

thegopher001
Premium
Comments (68) | + Follow

don't get me wrong, I enjoyed the ride and SHOP at 50$ was a steal. at P/S 50+ it's unsustainable. I'll profit from the crash and buy lower once their valuation comes back on planet earth. It's inevitable now. Good luck!

14 Oct 2020, 10:09 PM
Like 0 Reply

Tall Seller
Comments (9666) | + Follow

@thegopher001

WiX did NOT say they are winning net new merchants from Shopity.

This link shows Shopify is winning merchants from WiX at almost a 3:1 ratio. LOL!

👉 trends.builtwith.com/...

That's not a good trajectory for WiX.📉

WiX might as well exit e-commerce as Shopify wins all the worthwhile merchants from them, and now the cheap ones too due to Shopify's $9/month Shopify Lite option.

14 Oct 2020, 10:15 PM
Like 0 Reply

Tall Seller
Comments (9666) | + Follow

🎉WOOHOOO🎉

Visa's 8-K filing says 'card not present, excluding travel' transactions (aka e-commerce) has stayed fluctuating in the 30-40% growth YoY range that was seen in the early stages of COVID, now also from June to today, SEEN HERE:

👉 d18rn0p25nwr6d.cloudfront.net/...

Visa's insights were a great indicator for last quarter of Shopify's amazing Q2 results, and now that Shopify's Shop Pay has been one of the very most downloaded shopping apps for many months (seen here: sensortower.com/...), it's a forgone conclusion that Shopify is going to have a BLOCKBUSTER Q3 earnings call.

BUY AND HOLD baby, for me!

📈📈📈📈📈📈

14 Oct 2020, 06:34 PM
Like 1 Reply

Tall Seller
Comments (9666) | + Follow

When Amazon announces any time in the next 24 hours their 30-50% increase in sales compared to last year, for Prime Day, all e-commerce is likely going to SPIKE UP, especially Shopify, as Shopify is the very top 3rd party integrator for Amazon (and for ALL other worthwhile big tech channel partners).

Amazon shut down their Web Store in 2015 and told their merchants to use Shopify. And now, 3rd party integrators make up Amazon's most sales and are Amazon's fastest growing cohort.

Q4 is going to be MASSIVE for Shopify, starting with Amazon's Prime Day...TODAY!

LONG Shopify.

14 Oct 2020, 10:18 PM
Like 2 Reply

Add a comment

Disagree with this article? Submit your own.
To report a factual error in this article, click here.
Your feedback matters to us!